



State of Washington
Department of Revenue

Excise Tax Advisory

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RETAIL SALES TAX: OFF-SITE CONSTRUCTION

Issued June 12, 1970

What is the proper tax classification for gross income received from the activities of constructing, altering or improving structures which are later transported to a site where the structures are installed as an integral part of a publicly owned road?

The taxpayer objected to a reclassification of the activities of sandblasting, priming, and painting of structural bridge steel which was later sent to a bridge site where it was erected by another contractor. The department reclassified these activities from Public Road Construction to Retailing. The taxpayer argued that RCW 82.04.050 excludes the charges for labor and services in respect to the building, repairing, or improving of any publicly owned bridge as a retail sale and that they should be reported as public road construction.

The department held that the activities are subject to the retail sales tax under RCW 82.04.050. The customer falls within the definition of a consumer under RCW 82.04.190 in being a person engaged in building a bridge which is used primarily for foot or vehicular traffic.

The taxpayer's assertion that RCW 82.04.050 excludes his activities from the retail sales tax is improper. This section excludes charges for labor and services rendered in respect to the building or improving of a public bridge. However, a charge for work performed away from the job site is properly part of the purchase price the contractor is required to pay for materials and therefore is subject to the retail sales tax. So, persons who sell or prepare material for those who use it in building bridges are not themselves public road contractors, but are merely making sales to such contractors. Only those who actually construct roads, bridges, and the like are properly classified as public road contractors.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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